



# Memorandum

**TO:** Coyote Valley Specific  
Plan Task Force

**FROM:** Mayor Ron Gonzales  
Councilmember Forrest Williams

**SUBJECT:** CVSP Timing and Logistical  
Requirements Discussion

**DATE:** April 28, 2005

Approved

*RD for RB*  
*EM for FN*

Date

*4/28/05*

When the City Council initiated the Coyote Valley Specific Plan process in 2003, it also approved 16 statements about vision and expected outcomes to serve as guidelines for the Task Force. Among these was the direction to address the issue of General Plan "triggers" related to the timing and phasing of future development. Historically, these triggers would allow development to occur in specific increments only after specific prerequisites were achieved.

We believe we must include updated practical guidelines for the timing of potential development in our recommendations to the City Council. With that in mind, we have prepared a very rough draft of "timing and logistical requirements" regarding the Coyote Valley phasing plan as a beginning point for Task Force discussion. These are reflected in our notes to the vision and outcome statements (**Attachment I**) and specific discussion points (**Attachment II**)

1. **Development requirements:** Phasing has been broadly defined in the Council's 16 outcome statements regarding Coyote Valley, but these leave room for a more detailed phasing plan specific to the CVSP. Attachment I includes highlighted text accompanying the outcome statements that suggests how each statement could lead toward more specific requirements for development.
2. **Phasing of infrastructure, industrial development, housing, and services:** The Task Force has discussed the concept of "phasing by the willing" with planning staff, and they are prepared to let the market dictate who and what will go first. Attachment II is our first attempt to develop a set of specific triggers or requirements based on the Council's vision and outcome statements. We aimed at providing maximum flexibility to allow market forces to drive actual implementation of the plan within the policy goals and requirements originally established by the City Council.
3. **Stakeholder and public involvement in a Development Requirement Plan:** We must continue our strong commitment to work with the community in this matter. Steps should include a community workshop similar to what we held at the earlier planning stages of the CVSP. By bringing this to the community now, we can identify and address questions and concerns sooner so that development requirements will have public support and be effective to achieve our long-term goals for Coyote Valley.



## ATTACHMENT I

### *Coyote Valley Specific Plan Vision and Expected Outcomes August 2003*

1. The plan will include Central and North Coyote for land planning and will include South Coyote in the infrastructure financing mechanism only. South Coyote (Greenbelt) is included only to determine financing and other mechanisms to secure this as a permanent Greenbelt.
  - Permanent protection of the South Coyote Greenbelt is an extremely high priority.
2. The line (Greenline) between Central and South shall not be moved.
  - Greenbelt permanence is an extremely high priority, and therefore its boundaries cannot change.
3. The line between North and Central could be erased to allow for mixed-use throughout as long as 25,000 housing units in Central and 50,000 jobs in North remain as a base. Then, jobs can be added in Central Coyote and housing in North Coyote to achieve mixed-use or develop a property owner agreement to "trade" jobs and housing counts to achieve mixed-use goal.
4. The overall development character of North and Central Coyote Valley should be very urban, pedestrian and transit-oriented community with a mixture of housing densities, supportive businesses and services and campus industrial uses.
  - Fees and development offsets should be based upon a per-acre basis, not a per-unit basis, to encourage higher density development.
5. The Specific Plan should plan for the extension of light rail and heavy rail into Central Coyote and use these facilities to orient development.
6. We shall maximize efficient land usage; i.e., the 25,000 units and 50,000 jobs are both minimums. In North and Central Coyote combined, the total development potential is at least 50,000 jobs and at least 25,000 housing units. Through the Specific Plan process, we shall determine the distribution of that potential across north and south, including mixed-use concepts.
  - Fees and development offsets should be based upon a per-acre basis, not a per-unit basis, to encourage higher density development.
7. It will be important to distinguish that the 50,000 jobs referenced are primarily industrial/office jobs, not the additional retail support or public/quasi-public jobs (e.g., City workers) that must also be accommodated in the Plan area for a vibrant, mixed-used, urban community.
  - Only Industrial/Office jobs are to be included in calculating job/housing ratios that are used for new triggers.
8. Identify locations for public facilities (libraries, parks, schools, etc.) in the land use plan as well as include these facilities in the financing plan.
  - PDO/PIO and School Impact Fees/School agreements need to provide resources for development of these public facilities.



9. North and Mid-Coyote should contain a rich system of parks, trails, and recreation areas.
  - PDO/PIO fees and any other dedications should provide resources for park and recreation facilities.
10. The identification of financing measures for the needed capital improvements to support the planned levels of development.
  - An assessment district of some type shall be in place to fully fund public infrastructure.
11. The plan must be financially feasible for private development.
  - This goal is to keep fees low AND recognize that job-creating development will be less capable of carrying additional costs, and therefore new fees/triggers must be borne by residential development.
12. The plan must develop trigger mechanisms to ensure that increments of housing may not move forward until the appropriate number of jobs are constructed in a parallel timeline to maintain a jobs/housing balance in Coyote Valley.
  - New housing cannot receive final approvals for occupancy without proportionate completion of job development.
13. The Task Force should review the potential to utilize "subregions" of the valley that will incorporate jobs and housing that can move forward when the subregion has ability to finance the appropriate infrastructure. Residential projects will be issued building permits in parallel with the development of jobs when either the projects are purely mixed-use in their construction or the jobs and housing are constructed simultaneously.
  - Subregions (phases) are not required to have geographic continuity.
14. The plan should seek mechanisms to facilitate the permanent acquisition of fee title or conservation easements in South Coyote.
  - Residential development in the plan shall provide a specific offset of land or easements acquired, based on a ratio of new residential acreage to South Coyote land that is not already publicly held or has development on it. This will require clear definitions of existing development for this purpose i.e. if there is one house on a 20 acre parcel how much of the 20 acres may be able to have a conservation easement placed upon it?)
15. The plan should allow the current General Plan budget triggers to be changed to triggers based upon the Valley or its subregions' jobs and housing revenues covering the General Fund cost of services.
  - Council has already approved moving away from 1993 service-level trigger model in the current General Plan.
16. The plan shall include a requirement that will mandate 20 percent of all units be "deed-restricted, below-market-rate units."
  - A trigger must be included that requires 20% of all residential development be affordable and include the City's current ratio of production goals for Low- and Very Low-Income housing.



# **DRAFT**

## **For Discussion Purposes**

### **ATTACHMENT II**

#### **Coyote Valley Specific Plan Timing and Logistical Requirements**

1. Prior to the issuance of any building permits in each phase, the City's Budget Director must certify that the next phase of development will not increase the burden on General Fund services for current residents and businesses.
2. Development of jobs and housing must occur concurrently at a ratio of two jobs for every housing unit completed (i.e. house #2 may not be delivered until job #2 has already been completed.). Development phases could allow large increments of housing to be built only when simultaneous construction of job-related development at this two-to-one ratio is occurring in parallel.
3. Residential development must provide for the acquisition X<sup>1</sup> acres of South Coyote Greenbelt in fee title or as conservation easements for every acre of residential development with less than 40 dwelling units per acre.
4. Residential development of market-rate and deed-restricted affordable units must be built concurrently at a ratio of four to one. Affordable units, which are counted against this ratio, may not receive City or Redevelopment Agency subsidy.
5. Residential development phases must include average densities that are within X<sup>2</sup> of the units per acre of the average densities required by the specific plan for the first 30 percent of build out. Thereafter, any density range can proceed.
6. The only jobs that may be counted for the job/housing development ratio include "driving industry" jobs and "business-serving industry" jobs as described in 2003 San Jose Economic Development Strategy. This would exclude jobs in the fields of retail/consumer services and civic services, such as government, non-profit, utilities, education, etc, from the calculation of the ratio.
7. Fair-share contributions for all infrastructure through an assessment district, developer turnkey activity, or other mechanisms must be completed using standard City procedures.
8. Fair-share contributions to an assessment district must be structured so that they are weighted on the basis of acreage, NOT units or square feet produced. The goal is to use land in the most efficient way possible.

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<sup>1</sup> Our suggestion is that staff and our consultants be requested to do an analysis of the number of acres that are designated for residential development under 40 units per acre and compare that number to the number of acres in the South Coyote Greenbelt. Greenbelt acreage would include land that is currently undeveloped, or land that is not being "used" by development at this time (i.e. if there is a 50-acre parcel with one home on it we could determine that there are 45 acres or some other amount which might be able to have a conservation easement placed upon it).

<sup>2</sup> It would be reasonable to suggest that it will not be possible to have the exact housing densities in any one phase of implementation. We would recommend that early phases call for densities to be within close proximity of the average densities called for in the overall plan so that we do not have all the low density housing developed first and leave higher densities for later.

9. Development may occur in ANY increment and in any location as long as it conforms to the Specific Plan's land use and design guidelines.